

HOW TO COMPLETE THE CERTIFICATION OF CREDITABLE SERVICE AND AUTHORIZED LEAVE

Certification of Creditable Service and Authorized Leave verifies a member's service dates and wages. It is necessary for the calculation of a member's eligibility and benefits in a timely manner. The form includes information on file at PERF for the named employee and step by step instructions for filling out the certification.

Employers are liable for contribution obligations created by this information. No further certification requests will be made for these employment periods for the named employee. It is very important that all the information provided be reviewed and certified as complete.

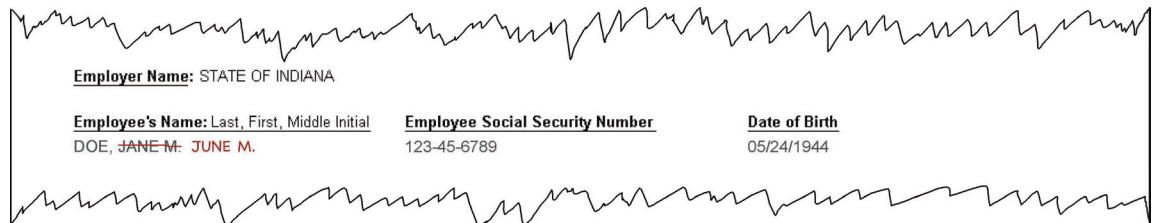
You are being asked to validate dates and wages, and may need to supply reasons for significant variations in service or wages for specific quarter(s). In certain cases where conflicting information has been identified, PERF may contact you for further explanation. *Please be certain the final page is completed by an authorized agent.*

Although you should examine all the enclosed information, PERF believes areas marked with an "X" may require further explanation, additions or corrections by the employer. Corrections or additions may be necessary for areas not flagged, as well. Explanations and/or changes should be included on the Additions and Corrections page, which is part of this form.

STEP 1—VERIFYING THE MEMBER'S IDENTITY

Review the employer and employee information to verify that the Social Security information matches your records for the employee listed. **In Figure 1**, note the correction made to this employee's name. Corrections must be made on each page where this information is included.

FIGURE 1:



Employer Name: STATE OF INDIANA

Employee's Name: Last, First, Middle Initial
DOE, JANE M. **JUNE M.**

Employee Social Security Number
123-45-6789

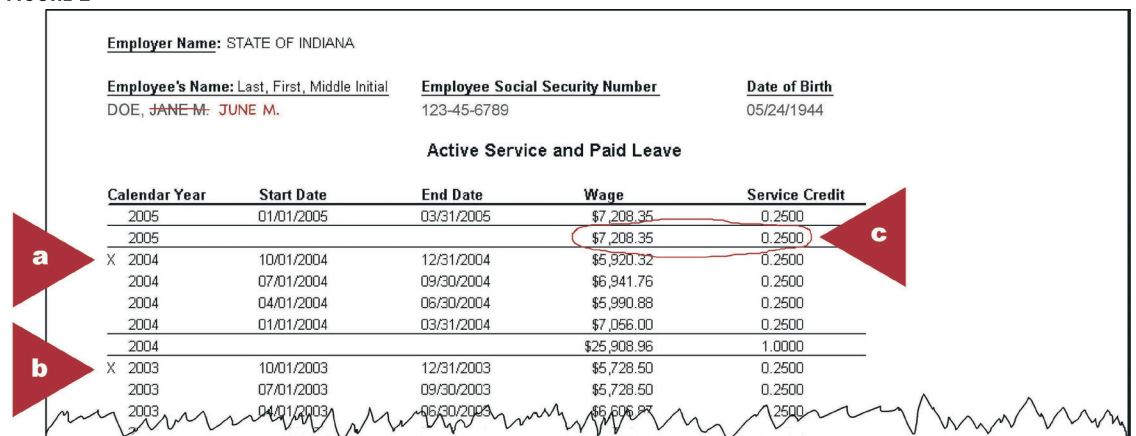
Date of Birth
05/24/1944

STEP 2—REVIEWING SERVICE AND LEAVE INFORMATION

Review all information, with particular attention to marked lines. Determine the reason why it might be marked.

In Figure 2, arrows **a** and **b**, the lines marked with an "X" contain information that **may** require further explanation or corrections, such as lower wages that are due to a leave of absence. **Figure 2**, arrow **c** highlights one of the rows for yearly service credit totals.

FIGURE 2



Employer Name: STATE OF INDIANA

Employee's Name: Last, First, Middle Initial
DOE, JANE M. **JUNE M.**

Employee Social Security Number
123-45-6789

Date of Birth
05/24/1944

Active Service and Paid Leave

Calendar Year	Start Date	End Date	Wage	Service Credit
2005	01/01/2005	03/31/2005	\$7,208.35	0.2500
2005			\$7,208.35	0.2500
X 2004	10/01/2004	12/31/2004	\$5,920.32	0.2500
2004	07/01/2004	09/30/2004	\$6,941.76	0.2500
2004	04/01/2004	06/30/2004	\$5,990.88	0.2500
2004	01/01/2004	03/31/2004	\$7,056.00	0.2500
2004			\$25,908.96	1.0000
X 2003	10/01/2003	12/31/2003	\$5,728.50	0.2500
2003	07/01/2003	09/30/2003	\$5,728.50	0.2500
2003	04/01/2003	06/30/2003	\$6,808.87	0.2500

STEP 2B—REVIEWING SCHOOL CREDITABLE SERVICE

Full-time for school employees is defined differently than for other positions covered by PERF. How school service is credited depends on the employer definitions of the period worked. In order to certify service, the employer must check one of the boxes indicating the type of service for every period worked. The following are the different types of school service:

- School term:** If an employee works less than 12 months but a whole school term, the period will be rounded up to a full year for crediting purposes.
- Contract period:** may be less than a full school term. The length of the contract period is set at the discretion of the employer. Each contract period will be rounded up to a full year for crediting purposes.
- Actual months:** Time worked that does not fulfill either a school term or contract period. PERF will credit only the time between the start and stop dates for crediting purposes.

FIGURE 3

Employer Name: Indiana School		Employee Social Security Number 123-45-6789		Date of Birth: 01/01/1953	
Employee's Name: Last, First, Middle Initial Smith, John D.					
Part 1: Active Service and Paid Leave					
Calendar Year	Start Date	End Date	Wages	Service	Type of Service (Check One Only)
2000	10/01/2000	12/31/2000	\$ 5,833.33	0.2500	<input checked="" type="checkbox"/> School Term <input type="checkbox"/> Contract Period <input type="checkbox"/> Actual Months
2000	07/01/2000	09/30/2000	\$ 5,833.33	0.2500	
2000	04/01/2000	06/30/2000	\$ 5,866.67	0.2500	
2000	01/01/2000	03/31/2000	\$ 5,933.33	0.2500	
2000			\$ 23,466.67	1.0000	
1981	10/01/1981	12/31/1980	\$ 4,184.00	0.2500	<input checked="" type="checkbox"/> School Term <input type="checkbox"/> Contract Period <input type="checkbox"/> Actual Months
1981	07/01/1981	09/30/1980	\$ 4,508.00	0.2500	
1981	04/01/1981	06/30/1980	\$ 5,833.33	0.2500	
1981	01/01/1981	03/31/1980	\$ 2,166.67	0.2500	
1981			\$ 16,692.00	1.0000	
1980	10/01/1980	12/31/1980	\$ 4,184.00	0.2500	<input checked="" type="checkbox"/> School Term <input type="checkbox"/> Contract Period <input type="checkbox"/> Actual Months
X 1980	07/01/1980	09/30/1980	\$ 4,508.00	0.2500	
X 1980	04/01/1980	06/30/1980	\$ 5,833.33	0.2500	
X 1980	02/02/1980	03/31/1980	\$ 2,166.67	0.2500	
1980			\$ 16,692.00	1.0000	
				3.000	

EMPLOYEE INFORMATION INCLUDED FOR REVIEW

If you received two forms for this employee, *one will cover only pre-1986 employment records and the other will include later records.*

CRITICAL INFORMATION FOR CERTIFICATION OF SERVICE AND AUTHORIZED LEAVE

Provisions that govern calculation of service credit are defined by Indiana statutes. The examples and terms provided below provide general information about some of the most common issues involved with certifying an employee's wages and creditable service accordingly.

- Start Dates**— The first date an employee worked in a full time Public Employees' Retirement Fund-covered position during a quarter. Probationary periods may not be excluded. Do not include time in non-covered positions, such as part-time, those for which wages were paid under the Comprehensive Employment Training Act (CETA) or for positions covered by another fund.
- End Dates**— Last day in a quarter for which the employee was paid in a PERF-covered position. May be the last day worked, a sick day, or a vacation day. *This is not necessarily the same as the date the last check is written.*
- Types of Service for School Employees**— Please note that PERF looks at the start and end dates to calculate length of service. Whether that service is creditable depends on how the employer defines the period. Therefore, it is very important that a school employer check the appropriate column for each period of school employment included.
- Reasons**— In order for PERF to calculate exact service, we will need reasons, or explanations, for start or end dates not on the beginning or end of the quarter, or for missing quarters. Please ensure that the reasons you provide should qualify or exclude service credit under Indiana statutes. Reasons for any leave should be entered on the Corrections and Additions page. Some of the most common reasons for leaves are described on the next page.

Reminder: Is it important for you to record the reason for a separation or leave, as well as the final day for which wages are paid, in an employee's personnel file whenever he or she leaves a position. Doing so will help track this information at some future date.

Terms for Authorized Leaves: Leaves may or may not be creditable. *You are required by law to state the reason for the leave as well as whether or not it was without pay when providing leave information.*

- **Approved unpaid leave:** Please provide the exact length of and reason for the leave.
- **Workman's compensation (uncovered time):** No contributions are made for this time, but the leave counts toward the employee's service.
- **Military Leave:** Employee left a PERF covered position and went directly into military service, did not withdraw Annuity Savings Account, and returned to the same employer in a PERF-covered position within 120 days of honorable discharge.
- **Family Leave (FMLA):** Up to 12 weeks per year is allowed under the Family Medical Leave Act.
- **Adoption Leave:** Up to one year of credit is allowed.
- **Paid Leave:** Employer and employee contributions must be made for this time.

Terms for Other Breaks in Service (*generally not creditable*):

- **Suspension:** employee is suspended without pay.
- **Part-time:** employee moves from full-time to part-time (part-time cannot be covered).
- **Unapproved unpaid leave:** these are often called lost or absent days.
- **Termination:** employee terminates employment.

Quarters Flagged for Wages:

Quarters marked by PERF that vary more than 20% from the previous or next quarter are marked with an "X." This does not necessarily mean there is an problem, but it is something the employer may wish to check. Markings may not include all quarters an employer may wish to examine. Therefore, employers should review complete payroll histories.

Reasons for a *high quarter* of wages may include:

- **Overtime, one-time payments such as back pay or settlements, or severance pay.** Please include the dates covered by any settlements.
- **Extra pay for non-PERF-covered work, bonuses, or severance over \$2,000:** not subject to contributions and should not be included.
- **Please include the dates of any payments other than wages.**

Reasons for a *low quarter* of wages may include:

- **A break in service or unpaid leave:** If an employee leaves in the middle of a quarter, for example, this could result in a low quarter. It is especially important for employers to include the reason for the break in service. Doing so allows PERF to accurately calculate the service the named employee has earned and for which the employer is liable for contributions.

STEP 3— ADJUSTMENT INFORMATION

An additional section listing adjustments may appear at the conclusion of some employee reports (see Figure 4). The adjustments have been made by PERF as a result of factors such as refunds and re-instated service, or prior adjustments made to service. *You are not expected to validate this information separately; it is included here only for your information.*

FIGURE 4

Adjustments				
Calendar Year	Start Date	End Date	Wage	Service Credit
1987	04/01/1987	06/30/1987	\$0.00	1.1666
1987	04/01/1987	06/30/1987	\$0.00	4.8333
1987			\$0.00	5.9999
				5.9999
Total Service Credit				24.4999

STEP 4—CORRECTIONS AND ADDITIONS

Enter the requested information for each line that requires either a correction or additional information.

In figure 5, the information from the first flagged line in figure 2, reasons for breaks in service, corrections for start dates, end dates and wages, are entered on this form. Note that in Figure 5, the employer fills in information on the corresponding line taken from the first line marked with an “X” in Figure 2. The

reason for the break in service is added in the Reason column. It is very important to fill in the reason code, as it may affect creditable service. Possible reasons are explained on page 2 of these instructions. In Figure 5, the wages noted by the second “X” in Figure 2 have been corrected and the reason for the change has been noted.

FIGURE 5

<u>Employee's Name: Last, First, Middle Initial</u> DOE, JANE M. JUNE M.		<u>Employee Social Security Number</u> 123-45-6789		<u>Date of Birth</u> 05/24/1944
Please list corrections to the above.				
<u>Calendar Year</u>	<u>Start Date</u>	<u>End Date</u>	<u>Wage</u>	<u>Reason</u>
2004	11/1/04	12/31/04	\$5,820.32	Approved Unpaid Leave
2003	10/1/03	12/31/03	\$5,928.50	Overtime Pay

STEP 5—COMPLETING THE SIGNATURE PAGE

Figure 6 shows the signature page. There are lines for the authorized signature, printed name, and title, and the employer name, employer number and date. This information must be completed entirely before being submitted to PERF. *The certification will not be accepted without a signature from an Authorized Agent. Payment of a member's retirement benefit (and other requests) will be delayed if this is not completed.*

FIGURE 6

<u>Employee's Name: Last, First, Middle Initial</u> DOE, JANE M. JUNE M.		<u>Employee Social Security Number</u> 123-45-6789		<u>Date of Birth</u> 05/24/1944
<p>The position(s) identified and certified above are PERF-covered position(s) in accordance with the agreement(s) between PERF and the governing body of the employer. I certify that the above dates are true and accurate to the best of my knowledge and that I am the individual formally authorized to accept any pension liability for and on behalf of the governing body of this employer. I understand that the verification of the above referenced periods of service and authorized leave create a pension liability for this employer. ANY ERROR IN THIS CERTIFICATION OF SERVICE CAN ONLY BE CORRECTED PRIOR TO THE EFFECTIVE DATE OF RETIREMENT.</p>				
<u>Signature of Authorized Individual</u>			<u>Print Name of Authorized Individual</u>	
<u>Title of Authorized Individual</u>			<u>Date</u>	
<u>Name of Employer</u>			<u>Employer Account Number</u>	

STEP 6—MAIL OR FAX THE FORM TO PERF

Please return the certification to PERF's mailing address at: 143 West Market Street, Indianapolis, IN 46204. You may also fax these forms to 317-234-1226.

If you have any questions regarding this procedure or any other fund information, you can also contact PERF at the toll-free number 1-888-526-1687, or by email via the website (www.perf.in.gov).